

Financial Assistance Council

June 2, 2004

1. Meeting Agenda Overview and Schedule Confirmation (Quarterly Meetings) - Steve
 - The meeting opened at 10:10 with an overview of the agenda, future schedule, etc.
 - i. It was agreed that quarterly meetings would work for 2005
 - ii. Dates listed reflect the first Wednesday of the month for each quarter
 - Claudia is going to retire as of September 30, 2004.
 - i. Lunch at Red Lobster today in honor of her contributions to the FAC, Water Quality Program
 - ii. Everyone is welcome to join – 12:00 noon
 - iii. Best wishes to Claudia in her post-retirement plans!
2. Participation and Filling Vacancies on the Financial Assistance Council - Dave/Steve
 - Steve: Here's a list of entities currently represented (*handout of FAC Roster, sans names*)
 - Dave: We're really open to participation
 - i. East-side, west-side representatives, etc.
 - ii. This is open to folks who want to come and participate
 - iii. There is a concern about those who are not interested in attending but we want representation from various clients and interest groups interested in water quality financial assistance.
 - Ed Thorpe: Suggested getting mid-sized community involvement for a representative for Stormwater Phase II communities.
 - Dave: Suggests writing a letter to the Director asking for representatives
 - Steve: Would like to have a good strong representation
 - Claudia: Good idea to have a Conservation Districts representative from each side of the state, since the two are basically autonomous and there are different issues for the Eastside and Westside districts.
 - Bob Hirsch: Clarifying question: So, we are contemplating a medium-sized city that would be involved in storm water and surface water issues.
 - Steve: Commitment – if your schedule no longer permits your involvement, you are not obligated to stay on. However, if you wish to continue participation, we would like that. It would be good to check on participation once a year.
3. State Audit Follow-up - Steve
 - Recent State Auditor's visit
 - i. The Audit was Agency-wide
 - ii. Auditor reflected desire to have all documented, but understood risk-based strategy
 - iii. Took the information back to the State Auditor's Office
 - iv. Steve mentioned to the Auditor that we wanted to be sure we were on a level playing field (i.e., with the Public Works Board) re: amount of documentation required
 - Result: They are somewhat amenable to the risk-based approach we are proposing/recommending
 - Claudia's Suggestion: Ask each recipient for a copy of their documentation procedures (for the file)
 - Dave: We want to avoid findings (serious) – recommendations are all right, as they are profitable for growth/learning, and we are allowed time to respond and make improvements
 - Steve: Special conditions included in the grant/loan offers requesting backup (*risk-based strategy*)
4. FY 2005 Funding Cycle to Date - Dan (*this topic was moved up on the agenda as Dave Campbell needs to leave by 2:00 p.m.*) – Draft Offer List and PowerPoint Handouts provided for reference (Attached)
 - Overview of the FY 2005 Draft Offer List
 - i. Applications Submitted/Funds Proposed/Observations
 - ii. Public Meeting to be held June 9, 2004 in Tacoma to discuss Draft Offer List
 - iii. FY05 Provisos and Hardship Management
5. FY 2006 Funding Cycle Discussion of Management Expectations and Schedule/Presentation Alternatives (Challenges) – Dan (*this topic was moved up on the agenda as well*) (Attached)
 - Draft Offer List available since May 20, 2004

- i. Please come if you are able to the Draft Offer List Public Meeting on June 9 in Tacoma
 - ii. Meeting Notice with details, directions, etc. included in the Draft Offer List
 - iii. Target date is early July for the FY05 Final Offer List/Letters to go out
- The FY06 Application Period will open September 1, 2004
 - i. Four workshops will be held statewide – held 9:00 a.m. to 3:00 p.m.
 - ii. 9/1/04 - Spokane
9/2/04 - Ellensburg
9/8/04 - Everett
9/9/04 - Lacey
- The FY06 Application Period will close November 1, 2004 (60-day time period)
- Evaluation and Ranking – by 12/17/04 - Crossing holidays (Veteran's Day, Thanksgiving)
- Rank-ordered List to the Legislature – *Draft Ranked List* (not a Draft Offer List)
- Funding would be based on what people are asking for and what's in the Governor's Budget
- Give to the Governor's Office to pass along the Legislative Committees (Fiscal & Environmental)
 - i. Question: How much public involvement could we have between the time the Legislature gets it and the time the Final Offer List is proposed in July
 - ii. Suggestions:
 - a. Rule is a consideration: Final Offer List must be finalized within 60 days of public comment period
 - b. Owe it to applicant to do public involvement meeting before it goes to the Legislature
 - c. Perhaps do two meetings,
 - one before the Leg/Governor gets the List
 - A separate 30-day comment period after the Governor's budget/actual appropriation becomes known
 - d. After the second comment period, the Final Offer List would be prepared
 - e. Along the way, it would be a "living document"
 - f. Claudia: Perhaps this could be a downfall in that the Legislature may decide to alter the List and get involved in the Ranking decisions
 - g. Dave: One ramification may be that the legislator may see the result of their decision to give special appropriation to a favored city, etc.
 - h. Steve: It may come up that there may need to be a funding cutoff line (projects we may not want to fund, versus not having money to fund)
 - i. Dan: Suggestion that the project may not be worth funding (i.e., a score below which we will not be willing to go regarding funding)
 - j. Considerations of moving the funding cycle back yet another month (just to have the Public Review Period before it goes to the Leg.)
 - k. Frank: suggests keeping the Cycle schedule as is for a couple of years to see how this timeframe works for applicants, staff, etc.
- Goal date: Jan 12 for getting the Draft Ranked List out
- Have a 2-week comment period*, then to the Leg. by Feb.
(*More of an information-sharing, not a regular public comment period)

Lunch Break – Gathering in honor of Claudia's Retirement - Red Lobster Restaurant

- 6. Continuation of FY 2006 Funding Cycle Discussion of Management Expectations and Schedule/Presentation Alternatives (Challenges) – Dan (this *topic was moved up on the agenda as well*)
- 7. Public Works Board Report: *Financing Washington's Future: The Next 20 Years, Book 1, Board Staff Recommendation, April 28, 2004*
 - Skipped as John LaRocque was not in attendance
- 8. Livestock Well Criteria Recommendations from Activities Workgroup and Consideration of Activities Workgroup/FAC Subcommittee – Dan/Steve
 - Claudia: Studies have shown that in many areas fences are not necessary or appropriate and that cattle choose an alternative water source (rather than wading in the stream or facing a steep stream bank) in most instances

- i. Dave: Two issues - access to the water and detriment to the riparian corridor
 - ii. What are cost-effective alternatives to allow the animals to have water?
 - iii. Claudia: Should we be paying for wells at all?
 - iv. Off-stream watering systems are very affordable/simple at times
 - v. Cheryl Witt: suggested having 50% cost-share for off-stream wells and 75% for close to stream; the idea is that if farmers are paying for half the cost then they'll be more careful of total expense
 - vi. Dave: There may be prohibitions to do some things we suggest based upon legal judgments
 - vii. Steve: This is why we're leaving it on a case-by-case basis
 - viii. Bob Stevens: In the Yakima Valley, it may be controversial, since some folks' wells are being shut down due to water rights issues
 - ix. Keep it simple; let the appropriate people make the judgment calls; put in needed limitations
 - x. Let's make sure we're not covering issues covered elsewhere (*i.e., by sister agencies*)
- Advice and Guidance Requested (*Please provide comments to Dan Filip by June 8, 2004-dfil461@ecy.wa.gov*)
 - i. Cost Effectiveness Criteria
 - ii. Limits on Numbers of Wells
 - iii. Distance to Water Body
 - iv. Financial Assistance Limits and Other Provisions
 - v. Depths of Well(s) or Cost Limit?
 - vi. Windmills?
 - vii. Provision of Electrical Power?
 - viii. Maximum Grant Cost, etc.?
 - ix. Others?

9. BMP Matrix – Verifications and Recommendations from Activities Workgroup - Dan

- Discussion of issues around whether or not to fund particular projects
 - i. Steve: Perception that loans are not as good as grants (and that their respective projects are not as valuable/profitable as well) – activities (grants) versus facilities (loans) projects
 - ii. Selden: Not funding non-revenue-producing projects with loans – does not make fiscal sense – focus on providing grants for things for which you cannot charge a fee or collect funds otherwise
 - iii. Steve: This has been an ongoing issue for past 15 or so years regarding limited grant funds, grants vs. loans, improvements to private property using grant funds, etc.

10. Presentation of Match Matrix Developed by Activities Workgroup – Dan (& Bill Hashim, Activities Workgroup)

- More of a “For Your Information” resource
 - i. Ask the question, ‘Does this funding program allow the use of the other (listed at top) as match?’
 - ii. Be sure to read from left to right
 - iii. This will be listed in the Guidelines clarification for this year and posted to the web site

11. Review Meeting, Confirm Future Topics and Next Date, Adjourn

- The meeting closed at 3:00 p.m.
- Public Works Board Report: *Financing Washington's Future: The Next 20 Years, Book 1, Board Staff Recommendation, April 28, 2004* – Steve will contact John LaRocque about rescheduling this discussion

Continued Discussion Topics for Future Meetings:
FY05 Funding Cycle
SRF Interest Rate Considerations
SRF Administrative Costs
AC/SA Pilot Rule Implementation
Minimum Threshold Evaluation Determination
FY06 Funding Cycle
Stormwater Eligibilities
Water Reclamation Eligibilities
Outcome Funding Strategy Updates

2005 Proposed FAC Meeting:
January 5, 2005 – Ecology (<i>Room TBD</i>)
April 6, 2005 – Ecology (<i>Room TBD</i>)
July 6, 2005 – Ecology (<i>Room TBD</i>)
October 5, 2005 – Ecology (<i>Room TBD</i>)

Scheduled FAC Meetings:
October 6, 2004 – Ecology, OA-36